Contracts Awarded by ONGC to M/s. P.J. Pipes and Vessels Ltd.

7810. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the answer to Unstarred Question 6768 given in the Rajya Sabha on 11th May, 1994 and state:

(a) what are the reasons for the delay in completion of delivery in respect of each of the contracts not completed within the specified time mentioned in the reply to the question referred to above;

(b) whether any penalty or liquidated damages clause was provided in each of the above said contracts, if so, what are the details thereof;

(c) what are the details of cases in which these penalty/liquidated damages clauses have been applied and the amount of penalty/liquidated damages imposed and recovered in respect of each case; and

(d) what are the details of cases in which these clauses have not been applied and what are the reasons therefor in respect of each case?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM & NATURAL GAS (CAPT. SATISH SHARMA): (a) to (c) The reasons for delay in completion of delivery and the amount of liquidated damages recovered are indicated in the statement *(see* below). Liquidated damage clause was provided in each of the supply orders, which provided for a LD for a sum equivalent to half a percent of the contract price per week or part thereof upto a maximum of 5% of the contract price.

(d) Extension of deliverry was granted in case of contract NO. IS-005 dated 21.3.1989 without LD, due to the constraints in obtaining loose wagons for transportation of pipes.

Statement

Details of Supply Orders Placed On M/S P.J. Pipes

	Supply order No. and date	Amount of LD recovered (Rs. in Lakhs)	Reasons for delay
	(1)	(2)	(3)
1.	C-2220/9.12.87	40.99	Due to non-availability of material from foreign principals. Firms plea for remedy under force Majeure not accepted and Performance Bank Guarantee invoked. Case treated closed.
2.	C-2240/27.2.88	10.55	Shortage of ONGC inspection team. Despatches to Nhava suspended. Faced difficulty in despatches to detinations as stated by supplier.

	(1)	(2)	(3)
3.	C-0006/25.6.88	5.71	Shortage of ONGC inspection team. Despatches to Nhava suspended. Faced difficulty in despatches to detinations as stated by supplier.
4.	C-0007/25.6.88	17.63	-do-
5.	C-0027/19.11.88	9.33	-do-
6.	C-0079/31.3.89	17.02	-do-
7.	C-0089/19.6.89	24.25	-do-
8.	C-0090/19.6.89	10.91	-do-
9.	C-0093/17.8.89	7.92	-do-
10.	C-0151/9/16.7.90	20.69	Supply suspended for want of CCS compensation and liquidated damages refund against past orders.
11.	C-0153/9/16.7.90	20.72	-do-
12.	C-0154/9/16.7.90	4.20	-do-
13.	C-0164/19.12.90	—	Declined to supply on force majeure ground. Performance bank Guarantee withheld but this was not accepted by ONGC. Risk purchase action was taken but rates received were lower than P.J. Pipes.
14.	C-0228/8.2.93	—	Order cancelled on 4.2.94 at firms risk and cost. Amount towards Performance bank Guarantee forefeited.
15.	Telex order 25.9.91	—	Firm did not accept the order since foreign exchange was denied by ONGC though it was to be arranged by ONGC as per tender conditions.
16.	IS-005/21.3.89	—	Extended till 10.10.89 without ID due to constraints in obtaining loose wagons for transportation of pipes.
17.	IS-034(A)/31.12.88	0.93	Pipes supplied within delivery period. LD deducted towards X-over and O-ring for delayed supply.
18.	IS-034(B)/31.12.88	3.98	Partly completed. Performance Bank guarantee invoked. Order cancelled for balance 7401 mtrs. on 22.5.92.
19.	IS-034(C)/31.12.88	1.72	Reasons for delay at Note 1 below.
20.	IS-034(E)/31.12.88	1.29	Partly completed. performance Bank Guarantee invoked. Order cancelled for balance 57.06 mtrs. on 22.5.92.
21.	IS-014/6.1.90	12.94	Reasons for delay at Note 1 below.
22.	IS-1001(B)/30.4.90	0.23	Pipes supplied within delivery period. LD deducted toward X-over and O-ring for delayed supply.
23.	IS-1001(D)/30.4.90	0.09	-do-

(1)	(2)	(3)
24. IS-1001(F)/30.4.90	3.71	Reasons for delay at Note 1 below.
25. IS-1001(G)/30.4.90	32.89	-do-
26. IS-1001(H)/30.4.90	2.22	-do-
27. IS-1037(A)/17.1.91	31.21	-do-
28. IS-1037(B)/17.1.91	30.84	-do-
29. IS-2037/2.4.93	46.25	-do-

Bursting of Pipelines

7811. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the answer to the Unstarred Question 538 given in the Rajya Sabha on 29th July, 1993 and subsequent implementation Report laid on the Table of the Rajya Sabha on 12th May, 1994 and state:

(a) what is the actual cost of investigation/repair/re-work, etc. incurred in respect of each of the four bursts of the pipelines;

(b) what is the latest position about the recovery of these costs from the Bank Guarantee furnished by the suppliers;

(c) whether any penalty has been imposed and realised from the supplier firms for their failures and if so, what are the details in this regard;

(d) whether there has been any penalty clause provided in the agreements entered into with the supplier firms of these pipelines, if so, what are the details thereof; and

(e) what is the present position in respect of each of the pipeline contracts and by when each of them is likely to be completed?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA): (a) The total cost of investigation, repair/rework etc., was about Rs. 15.6 lakhs.

(b) The cost of investigation, repair/rework has been recovered from the supplier.

(c) and (d) The costs incurred in locating the bursts, removal and replacement of the defective pipe, inspection and retesting of the pipeline etc., have been recovered from the supplier as per the penalty provisions of the contract.

(e) The Boreri-Gadepan pipeline has been commissioned in June, 1993. It has been decided to replace the Bombay subtransmission pipeline by a new pipeline at the cost of the supplier of the line pipes.

Check on Private Companies Engaged In Marketing Cooking Gas

7812. SHRI K. RAHMAN KHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the names of private compaines which are marketing or are permitted to market cooking gas in the country other than the public sector oil companies;

(b) whether Governemnt are aware that such private companies have collected huge amounts from the public as dealership deposits; and

(c) if so, what steps Government propose to take to regulate them?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA): (a) Under the Parallel Marketing System, private agencies can import and market LPG for which they are not required to obtain any approval from the Ministry of Petroleum and Natural Gas.

(b) and (c) Such reports have come to the notice of the Government. The State and UT Governments have been advised to ban collection of deposits by parallel marketeers without making adequate arrangements for supply of these products. Besides, they have also been advised to verify the genuineness, antecedents and capabilities of persons/agencies intending to take up activities